



HARMONY DEVELOPMENT, A STARWOOD CAPITAL AFFILIATE, SIGNS MOU WITH FLORIDA STATE UNIVERSITY TO DEVELOP ENERGY R&D FACILITY

State-of-the-Art Facility to be Located in Newly Created Energy Research Park at the Green Certified Development of Harmony, FL

GREENWICH, CT/HARMONY, FL – December 4, 2008 – Harmony Development Company, an affiliate of Starwood Capital Group Global, LLC, announced today it has signed a Memorandum of Understanding with The Florida State University to build Florida State’s Energy and Sustainability Center, a state-of-the-art energy research facility, at the green certified development of Harmony, Florida. The center will be located within Harmony’s recently created Florida Energy Research Park, which will operate with the goal of researching and developing sustainable and clean energy technologies that contribute to the conservation of Florida’s energy resources, climate and environment. Harmony Development Company created the research park as a location where educators, researchers and businesses come together as collaborative partners to seek and demonstrate technology related to renewable and clean energy supplies. The facility will allow Florida State researchers to test sustainable-energy technologies, including solar, wind, hydrogen and biomass, and develop innovative solutions to ensure homes that have as small an environmental footprint as possible.

“This is an incredibly exciting opportunity to partner with a great institution in Florida State to create what we believe will be one of the country’s leading research facilities for sustainable energy technologies,” said Robert Geimer, Senior Vice President of Starwood Capital Group. “Working in partnership with the dedicated team at Harmony, leading educators like Florida State and energy companies across the state, this project has the capability to not only pioneer how Florida residents receive their energy for decades to come, but also to serve as a model for other states interested in making their energy infrastructure greener and more sustainable.”

Harmony is one of only ten communities in Florida and the largest one in Central Florida that is currently “Green Certified” and is intended to be a showcase for pioneering innovative design in sustainable, green development philosophies. Located about 30 miles south of Orlando in Southeast Osceola County, the development is owned by Harmony Development Company, a Starwood Capital Group affiliate. Starwood Capital Group is a leading private real estate investment firm with significant expertise in the energy sector through its affiliate, Starwood Energy Group Global. Starwood Energy is working in partnership with Lockheed Martin Corp. to develop utility-scale solar

generation projects in North America and as part of the MOU with Florida State will explore building a utility scale concentrator thermal solar generation plant at Harmony.

“We are thrilled to participate in this unique partnership, which will allow Florida to address the challenges related to alternative energy by developing a portfolio of research programs that explore reliable, affordable, safe and clean energy technologies for the future,” stated Bradford Nordholm CEO of Starwood Energy Group. “Programs like this will only accelerate our nation's critical need to engender energy independence, reduce greenhouse gases and create new careers, and we hope this facility will serve as a model for other states across the country to pursue the same goals.”

When complete, Harmony plans call for the construction of 7,200 homes, 1 million gross square feet of light industrial space, and another 850,000 gross square feet of commercial/retail space.

“We are thrilled to partner with great organizations on this project such as Florida State University, Harmony and the affiliated companies of Starwood Capital Group,” said Maria Toumazos, Osceola County Economic Development Administrator. “This is going to be a catalyst for research initiatives and alternative energy projects, accompanied by high wage, value-added jobs, benefiting Osceola County and the State of Florida.”

“As a community that is well known for its commitment to being environmentally intelligent, we are extremely pleased to have the Florida Energy Research Park located within Harmony,” said James Lentz of Harmony Development. “Harmony was conceived and built on the premise that suburban living could co-exist with nature and help promote a more environmentally friendly way of living, and this project is the perfect complement to that effort.”

For more about Harmony, visit the community's Web site at www.harmonyfl.com.

About Starwood Capital Group Global, LLC

Starwood Capital Group Global, LLC is a privately-held global real estate investment firm based in Greenwich, CT (with its predecessor Starwood affiliates “Starwood”). Founded in 1991, Starwood specializes in the creation and acquisition of real estate-related investments on behalf of commingled investment vehicles that are sponsored and created by Starwood or its affiliated entities. Such real estate-related investments include residential and commercial land development, multifamily, hotel, office, retail, mixed-use, industrial, health clubs, golf and mezzanine debt. Starwood's clients include public and private retirement programs, university endowments, foundations, and international and high-net worth investors. During the past sixteen years Starwood and its affiliates have invested approximately \$6 billion of equity capital in transactions representing over \$30 billion of asset value.

Starwood Capital Group has led the formation and/or growth of several market leading companies including Groupe Taittinger and Société du Louvre, Europe's second largest hotel network; iStar Financial (NYSE: SFI), the leading publicly traded finance company

specializing in commercial real estate mortgage, mezzanine and net lease financing; Starwood Hotels & Resorts Worldwide (NYSE:HOT), a leading global owner/operator of hotels, Westin Hotels & Resorts which was merged into Starwood Hotels & Resorts Worldwide in January 1998; and National Golf Properties/American Golf Corporation, the largest owner/operator of golf courses and related facilities in the U.S., who, together with its private sister company, owned, leased or managed 255 golf courses. It also participated in the formation of and helped led the growth of Equity Residential Properties Trust (NYSE:EQR), one of the premier US multifamily REITs.

About Starwood Energy Group Global

Headquartered in Greenwich, CT, Starwood Energy is focused on power generation and transmission project development and ownership, primarily in North America. Starwood Energy currently has interests in three transmission projects in the Northeast, including the recently completed 660MW undersea transmission line across New York Harbor known as "Neptune" that connects the Pennsylvania-Jersey-Maryland (PJM) grid to the Long Island Power Authority (LIPA) grid. It also owns a power plant in Colorado and maintains interests in six power generation projects in California, including five existing simple-cycle, natural gas-fired "peaking" power plants and a 120MW "peaking" power facility currently under construction.

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